



Water & Wastewater Treatment Equipment

Indonesia

There were 24 water projects included in Indonesia's economic development plan announced at the January 17-18, 2005 Infrastructure Summit. The Indonesian Ministry of Public works estimates that the total investment for the projects will be more than US\$350 million over the next ten years.



Market Overview

Millennium Development Goals for Water Supply

Parameter	2000	2015
Level of Service	20%	60%
Population Served	41 Million	150 Million
Connections	7 Million	25 Million
Production Capacity	94 m3/sec	180 m3/sec
Investment	US\$ 700 Million	US\$5 Billion

Source: The Ministry of Public Works

- The market in Indonesia offers good prospects for the sale of American water resources equipment and services.
- The water treatment market has an estimated size of \$90 million and an average annual growth rate of 10%
- Due to the privatization of water supply, the Indonesian market offers excellent opportunities for U.S. suppliers of water treatment related equipment and services.
- Imported equipment accounts for approximately 30 percent of the total cost of Indonesia's water treatment plants.
- Population: 220 million; Growth: 1.3 percent
- The development and management of water resources is a top priority of the Indonesian Government.

Indonesian Success Stories in Water Supply

- Since the mid 1980s, the Indonesian government has undertaken public private partnerships (PPP) in the water supply sector on a small scale, such as for meter reading and bill collections, as well as maintenance work.
- The first PPP project was a BOT (Build, Operate and Transfer) in Serang Utara, West Java in 1993.
- The next concession was for water supply services on Batam Island (near Singapore) by P.T. Aditia Tirta Batam in 1995. In 1998, modified concessions were granted for Jakarta and P.T. Palya and P.T. Thames PAM Jaya formed PPP's in Eastern Jakarta.



- The other PPP's are BOT projects between PDAM (municipal water enterprises) Tirtanadi (Medan) and the French company Ondeo to provide water.
- Another PPP between PDAM Tangerang and P.T. Tirta Degremont for operating a water treatment plant in Serpong to provide potable water for Jakarta and Bumi Serpong Damai has been successful because it provides good quality water and operates efficiently with a small, competent local staff.

U.S. Position

- U.S. water and wastewater treatment products and engineering services have a good reputation in Indonesia because of perceived quality and advanced technology.
- U.S. products such water filtration equipment, water purification equipment control systems, and water treatment chemicals have the best prospects for sales to Indonesia.
- Keys to success in this market are financing the initial cost of the product and good after sales service.

Competitors

- The water and wastewater treatment equipment and services market in Indonesia is competitive with an increasing number of international suppliers competing for projects.
- Japanese suppliers lead the engineering consultant service market with an estimated 35 percent share, followed by suppliers from other Asian countries like China, Taiwan and Korea and the European Union.
- Japan, China and Korea dominate the machinery and equipment market. Local Indonesian companies control the construction services market.

Best Sales Prospects

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| • Water Filtration Equipment | • Water Sanitation Systems: Urban |
| • Water Pollution Control Equipment | • Water Treatment/Analysis Equipment |
| • Water Pumps | • Water Treatment Engineering Services |
| • Water Supply And Distribution Systems | • Water Treatment Chemicals |

Commercial Opportunities

- Expansion and privatization of the water supply and distribution system in Indonesia should bring significant commercial opportunities for U.S. exports of water resources equipments and services.
- Key opportunities exist in providing water and wastewater engineering design and construction services and equipment.
- Good prospects also exist for engineering consultancy services required for the development of large-scale water resources projects.

Other Resources

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